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Prime Minister's schedule, October 4 (Nikkei)

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NIKKEI (Page 2) (Full)
October 5, 2007

09:04

Met Deputy Chief Cabinet Secretary Iwaki at the Kantei.

10:01

Attended an Upper House plenary session.

12:03

Met Deputy Chief Cabinet Secretary Ono at the Kantei.

14:02

Attended a Lower House plenary session.

16:38

Met Chief Cabinet Secretary Machimura at the Kantei.

17:20

Met Economy and Fiscal Policy Minister Ota, Nippon Keidanren Chairman Mitarai and others. Later attended a meeting of the Council on Economic and Fiscal Policy.

18:20

Met representatives from six local organizations, including Fukuoka Governor Aso.

19:09

Returned to his private residence in Nozawa.

4) Inter-Korean summit: Roh calls for improved Japan-DPRK relations but Kim remains silent (Yomiuri)

YOMIURI (Top play) (Excerpts)
October 5, 2007

Masahiko Takekoshi, Seoul

South Korean President Roh Moo-hyun yesterday signed a joint declaration with DPRK leader Kim Jong Il titled the "Development of Relations between the South and the North and Peaceful Prosperity" in Pyongyang, North Korea. Roh returned to South Korea last night and addressed the people at the immigration office near the South-North military demarcation line. In his remarks, Roh indicated that he had urged North Korean leader Kim Jong Il to accelerate efforts to improve relations with Japan. Roh, however, stopped short of mentioning whether he had raised the issue of Japanese having been abducted by North Korea, as was sought by Japan. A six-party agreement released on Oct. 3 on North Korea's denuclearization also calls for improved relations between Japan and North Korea. The North's response remains to be seen.

In a Japan-South Korea foreign ministerial held in New York on Sept.

29, South Korean Foreign Affairs and Trade Minister Song Min-soon had indicated that President Roh would raise the abduction issue in the upcoming inter-Korean summit.

In the address, President Roh indicated that he had urged the North Korean leader to speed up the efforts to improve relations with the United States and with Japan for the sake of establishing a permanent peace on the Korean Peninsula, expanding economic cooperation between the South and North, and building a cooperative

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framework in Northeast Asia. Kim quietly listened to Roh's advice, according to the South Korean president. Roh indicated that he could not tell whether he had obtained Kim's concurrence regarding his proposal.

5) Japan takes wait-and-see attitude on whether abduction issue will make headway; ROK today to give account of results of two Korea summit

TOKYO SHIMBUN (Page 2) (Full)
October 5, 2007

Yuji Nishikawa

The government has lauded the joint declaration signed by the leaders of the two Koreas during their summit meeting, in the belief that it will lead to easing the tensions on the Korean Peninsula. The joint declaration includes mention of steps leading to ending the Korean War. The joint declaration, however, does not mention the abductions of Japanese nationals by North Korea. The government, based on a detailed account of the summit it will receive from South Korea, intends to analyze the possibility of whether North Korea will shift its attitude.

Prime Minister Fukuda, asked yesterday by reporters about the two Korea summit, made this positive comment: "It is a very good thing to remove the tensions between the two Koreas. I hope a stable situation will continue."

Fukuda conversed with President Roh Moo Hyun by phone on Sept. 28 and asked for his cooperation in order to resolve the abduction issue. Fukuda hoped that Roh would bring up the abduction issue and fathom how North Korean General Secretary Kim Jong Il would respond. This would allow Fukuda to be able to analyze how Pyongyang felt toward the abduction issue at this time. As of yesterday, however, it remained unclear whether the Japanese abduction issue was taken up in the summit. Foreign Minister Masahiko Komura noted: "Based on a detailed report (we will receive from South Korea), we'd like to decide our position."

The joint declaration specifies economic cooperation, such as industrial development on the coastal area of North Korea. Referring to this specific, some in the government have expressed concern that a "reward" to North Korea may precede any other steps, with one senior Foreign Ministry official noting: "In order to elicit something from North Korea, we will be forced to bring it a significant 'present'."

6) Japan has doubts about outcome of inter-Korea summit, with "nuclear issue left unresolved" (Asahi)

ASAHI (Page 2) (Full)
October 5, 2007

Prime Minister Fukuda told reporters yesterday: "It is desirable that tensions existing between South and North Korea ease up. I pray that an atmosphere without tension will take hold." But no specific progress has been made on the issue of North Korea's denuclearization. Many persons are skeptical of the outcome of the inter-Korea summit, with a senior Foreign Ministry official remarking: "Is it possible to establish a peace system while leaving the issue of North Korea's denuclearization unsettled?" Foreign

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Minister Komura only said last night: "We would like to make a judgment after receiving an explanation by the South Korean government (scheduled for today)."

There was no mention of the issue of North Korea's past abductions of Japanese nationals in a joint declaration issued after the inter-Korea summit. Although President Roh Moo-hyun said: "We referred to the abduction issue," it is unclear whether the two leaders touched on not only abductions of South Koreans but also those of Japanese nationals.

Progress in economic cooperation between South and North Korea is a mixed blessing for Japan. Japan has slapped its own economic sanctions against Pyongyang since last year, citing as the reasons North Korea's nuclear test and abductions of Japanese. Though the sanctions will soon expire, Japan has decided to extend them for another six months.

Only Japan, among the members of the six-party talks, has refrained from joining the energy aid program to North Korea, the aim being to break the impasse in the abduction issue. If cooperation between the two Koreas deepens, the value of this "card" for Japan might be lessened.

7) Japan feels more isolated in six-party talks, concerned about North Korea taking lead (Mainichi)

MAINICHI (Page 2) (Full)
October 5, 2007

Yudai Nakazawa

The Japanese government officially hails a joint declaration released by the two Koreas, with Prime Minister Yasuo Fukuda saying, "It's a very good thing to remove the tensions." But there is concern that Japan is left out on a limb in the six-party talks. So, by hailing the joint declaration, the government wants to somehow avoid giving the impression that Japan is "out of the loop" at a time when a new framework for four-party talks is expected to be established to discuss how to bring peace and stability to Northeast Asia, particularly on the Korean Peninsula.

Referring to the four-party framework, Foreign Minister Masahiko Komura late yesterday said to the press corps: "Establishing it has been already decided at the six-party talks. Details of the four-party talks without fail will be fed back to the six-party talks." Komura's comment stems from the six-party agreement released in this past February, which specifies that "how to bring peace to the Korean Peninsula should be discussed at a forum of the direct parties concerned."

A senior Foreign Ministry official likewise explained: "It means that 'the direct parties concerned' have now taken shape as a four-party framework. That is what we'd already assumed." This official continued, "The six-party talks have a working group on 'a mechanism for peace and security in Northeast Asia,' where Japan can take the initiative."

However, it is obvious that Japan, which gives the top priority to resolving the abduction issue, is being further isolated from other members of the six-party talks, namely, the United States, China, Russia, and South Korea. Given that the above working group is the

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only forum Japan can rely on, there is the possibility that the Japanese government will reach a deadlock.

Additionally, if the four-party talks make headway, the US and North Korea may come even closer to each other. Given this, Japan cannot welcome the current situation without reservation.

Another concern is that the inter-Korean summit unfolded in a way in which "North Korea elicited concessions from South Korea," according to a government source. This implies that North Korea may try to take the initiative in dealing with its relations with Japan. If the

four-party talks make progress, then Japan will be tested as to how far it can firmly uphold its basic policy of no diplomatic normalization without any progress on the abduction issue.

Prior to the inter-Korean summit, the South Korean government told Japan that it would take up the abduction issue in the summit, but a senior Foreign Ministry official assumed that the abduction issue would not be a priority issue in the summit. It is unknown how far the abduction of Japanese nationals by North Korea was discussed in the two Korea summit. One government official noted: "The gap of views between Japan and South Korea over the abduction issue has now been made much clearer."

8) Government to pay attention to implementation of what was agreed on at six-party talks (Yomiuri)

YOMIURI (Page 2) (Full)
October 5, 2007

Regarding the joint declaration issued after the inter-Korean talks, the Japanese government is paying special attention to the fact that the declaration specifically mentioned that both South and North Korea will make joint efforts to implement the agreement reached at the six-party talks. That is because the promotion of the denuclearization of the Korean Peninsula, the goal of the six-party talks, as a result of the inter-Korean summit would extensively contribute to the improvement of Japan's security. The government has also heightened interest in how North Korea's General Secretary Kim Jong Il referred to the issue of the abductions of Japanese by North Korea agents.

Prime Minister Yasuo Fukuda yesterday gave high scores to the outcome of the summit, noting, "It is good that the strained relations between South and North Korea will disappear. I hope this situation will take root." Foreign Minister Komura also said, "The joint declaration as a whole indicates a good direction due to the inclusion of cooperation for the ending of the war."

Fukuda is expected to receive a report on the inter-Korean summit by phone from South Korean President Roh Moo Hyun on Oct. 5 at the earliest. The official view of government officials positively evaluates the declaration as a whole. In the meantime, they are also analyzing it in a cool-headed manner.

A source familiar with Japan-South Korea relations yesterday took the view that the focus of highest attention is whether South Korea was able to assert its influence on North Korea for the disablement of its nuclear facilities. He said that whether the inter-Korean summit this time was successful or not can be determined, based on whether North Korea will implement the disablement of its nuclear facilities before year's end or not.

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The declaration also notes that the US and China as well as South and North Korea will hold talks to end the Korean War. Some are alarmed about this with one Foreign Ministry official saying, "I hope this will not lead to the bypassing of Japan."

Whether the talks covered the abduction issue or not is not known yet. The government wants to promptly obtain information from South Korea.

9) Prime Minister Fukuda: Delisting should come after abduction issue is resolved (Mainichi)

MAINICHI (Page 2) (Full)
October 5, 2007

When asked yesterday about a six-party agreement that includes a phrase touching on the delisting of North Korea, Prime Minister Yasuo Fukuda said, "It does not mention the date for the United States to delist North Korea. It says (the US) will make a decision upon taking everything into consideration. The nuclear and humanitarian issues, for instance, must be considered. (The delisting) would be considerably (difficult) unless such issues are

resolved." Fukuda thus indicated that America's delisting of North Korea is premised on a resolution of the abduction issue. Fukuda was replying to questions by reporters at the Prime Minister's Official Residence.

10) Government, ruling parties agree on two-year new refueling law, yearly Diet report (Yomiuri)

YOMIURI (Page 1) (Abridged slightly)
October 5, 2007

The government and ruling parties basically agreed yesterday that the duration of a new law replacing the Antiterrorism Special Measures Law for continuing the Maritime Self-Defense Force's refueling mission in the Indian Ocean for the stability of Afghanistan should be two years. They also decided not to include a provision requiring retroactive approval by the Diet in the new legislation and make it mandatory to report to the Diet every year after the law takes effect. The government and ruling parties are set to brief the opposition parties, including the Democratic Party of Japan (Minshuto or DPJ) on the draft plan at a meeting today of the chiefs of Diet affairs of the ruling and opposition parties.

Chief Cabinet Secretary Machimura and New Komeito Secretary General Kitagawa held a meeting yesterday and confirmed the content of the draft plan. The government had insisted on setting the law's term at two years from the viewpoint of conducting the refueling mission stably. The New Komeito, on the other hand, called for one year from the standpoint of putting high priority on civilian control.

The draft plan is designed to: (1) include mention of UN Security Council Resolution 1776 expressing appreciation for the Maritime Interdiction Operations, in which the MSDF is taking part, in the new law as grounds for the MSDF mission, and (2) limit the MSDF's activities to supplying fuel and water.

In a meeting yesterday of the ruling bloc antiterrorism law project team chaired by former LDP Vice President Taku Yamasaki, objections erupted about eliminating the Diet approval provision, one saying,

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"The state should remain engaged in security affairs." Some also called for making the new law good for just one year, as before. Some in the ruling bloc also think that a final decision must be made on the content of the new law after hearing views of the DPJ during Budget Committee deliberations in the current session of the Diet.

11) Prime minister in Diet reply: "I have perception that MSDF-provided fuel has been properly used" (Nikkei)

NIKKEI (Page 2) (Excerpts)
October 5, 2007

An allegation has come up that fuel supplied by the Maritime Self-Defense Force (MSDF) to United States' warships in the Indian Ocean was used in Iraq war. Asked about this, Prime Minister Fukuda replied in representative interpellations at a House of Representatives plenary session yesterday: "The Defense Ministry is still checking whether the allegation is true or not." He added: "I have a perception that the fuel has been properly used in accordance with the purport of the Antiterrorism Special Measures Law."

Japanese Communist Party Chairman Kazuo Shii pointed out the diversion allegation. The prime minister explained: "Before offering refueling service, Japan specified in exchange notes that the service is based on the Antiterrorism Law and explained the purport of the law. It then confirmed that recipient ships are participating in operations by the multinational naval force whenever the ships are refueled." Fukuda further said: "The refueling operation does not come under the category of use of force, which is prohibited in the Constitution. The service is a role Japan should fulfill in the international community."

12) Refueling contributes to national interests: Fukuda

The following is a gist of Prime Minister Fukuda's replies to interpellations in the Diet yesterday.

MSDF refueling

The Maritime Self-Defense Force's refueling mission is part of the international community's joint efforts to prevent terrorists from proliferating. Japan depends on sea transportation for the greater part of its resources, so the MSDF's refueling activities contribute to Japan's national interests. That is also Japan's responsibility in the international community. It can't be replaced with civilian assistance.

Foreign policy

There is no change in my understanding that fundamental values and systems like freedom, democracy, fundamental human rights, the rule of law, and market mechanisms are important. Japan will establish a reciprocal relationship based on common strategic interests, and Japan will work together with China to contribute to world peace and stability.

North Korea

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I will make my utmost efforts to have all abductees return home, liquidate the unfortunate past, and normalize diplomatic relations. We still cannot see any progress on the abduction issue. As it stands, there's no change in the government's stance of not participating in energy supply (to North Korea).

Burma

I have strong concern about the current circumstances of pro-democracy movements and human rights in Myanmar (Burma). Japan has been implementing economic cooperation that is limited to humanitarian areas directly in the interests of people in Myanmar. It's not in support of the military junta, but in view of the present situation the government is looking into the possibility of narrowing Japan's economic cooperation further.

USFJ realignment

The realignment of US forces in Japan is intended to mitigate Okinawa's burden through various steps, such as relocating Futenma airfield at an early date, returning the airfield's vacated site, moving about 8,000 troops from the US Marines in Okinawa and their dependents to Guam, and returning the sites of bases situated south of the Kadena airbase. I will continue to listen in an earnest manner to the voice of Okinawa, and I will push ahead with the US military realignment in a steady way.

Six-party talks

The recent statement says North Korea will take action within the year to denuclearize. I appreciate it for specifying steps to diplomatic normalization between Japan and North Korea. I hope North Korea will take action in conformity with the agreement.

13) US military poised to cooperate on refueling information disclosure

WASHINGTON-Japan's Maritime Self-Defense Force has been engaged in the task of refueling US and other foreign naval vessels in the Indian Ocean under the Antiterrorism Special Measures Law to back up their antiterror drive in Afghanistan. However, the US military is now suspected of having used MSDF-supplied fuel for its operations in Iraq. In this regard, US Air Force Brigadier General Holmes, deputy director of operations at the US Central Command (CENTCOM),

which is headquartered at Tampa, Florida, and covers the Middle East and Afghanistan, indicated in his press briefing yesterday of foreign reporters that the US military would make efforts to disclose information on facts about the MSDF's fuel supplies. "I also understand the importance of discussions in Japan," Holmes said. "The US government is now working together with the Japanese government so we can reveal necessary information in detail," he added.

Concerning the suspected use of fuel supplies for other purposes, Holmes explained: "I'm not saying there is no information (to confirm or deny). I'm not in a position to know." The antiterror law allows the MSDF to refuel foreign vessels participating in Operation Enduring Freedom (OEF). In this regard, Holmes was asked if CENTCOM was ordered to use MSDF-supplied fuel for OEF only. "I don't know if

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there was such an order," he said.

14) Refueled US supply ship possibly involved in Iraq war

ASAHI (Page 34) (Full)
October 5, 2007

In connection with a Maritime Self-Defense Force supply ship's indirect refueling of a US aircraft carrier that participated in Iraq operations, Peace Depot, a Yokohama-based civic group, revealed yesterday that the USS Pecos, a US naval tanker that was directly refueled by the Tokiwa, an MSDF supply ship, refueled the USS Kitty Hawk, a US aircraft carrier, and the US Navy oiler later continued to refuel US warships in the Persian Gulf shortly before the Iraq war.

Peace Depot obtained information about the USS Pecos' log (Feb. 15, 2003 through Mar. 15, 2003) through the US information disclosure system and analyzed it. According to the log, the USS Pecos conducted 24 refueling services for 16 US naval vessels, including assault landing craft and ammunition supply vessels in the Persian Gulf or elsewhere from Feb. 25, 2003--the day the USS Pecos refueled the Kitty Hawk--through Mar. 15 that year.

The USS Pecos only received fuel supply from the Tokiwa on Feb. 25 and refueled the Kitty Hawk shortly thereafter, according to Peace Depot.

"The Pecos refueled naval vessels, including those for anti-ground and anti-ship attacks," a Peace Depot official said. "We think the greater part of fuel from the Pecos might have been used for Iraq operations," the official added.

The Tokiwa refueled the Pecos with approximately 800,000 gallons in the Indian Ocean. In the meantime, the Kitty Hawk, which received about 800,000 gallons of fuel from the Pecos on the same day, participated in the Iraq operations.

15) Defense Ministry presents data showing 79 PERCENT of fuel goes to US ships (Nikkei)

NIKKEI (Page 2) (Full)
October 5, 2007

The Defense Ministry yesterday submitted to executive members of the House of Representatives Budget Committee a document on nation-specific refueling by the Maritime Self-Defense Force (MSDF) based on the Antiterrorism Special Measures Law. According to the document, the United States received 385,000 kiloliters, which accounts for 79.5 PERCENT of the 484,000 kiloliters fuel provided to 11 countries from December 2001 through Aug. 30 this year.

The US was given about 74 PERCENT of all the fuel in FY 2001 and 2002. France was the second-largest recipient, with 26,000 kiloliters, or about 5.4 PERCENT of the total.

The ministry also revealed official documents exchanged between the governments of Japan and the US before the MSDF provided fuel to vessels from the US, Britain and other countries engaged in maritime

intercept operations to prevent terrorists from transiting the Indian Ocean. The note from Japan said that it would provide fuel to the US side under the Antiterrorism Law. The note from the US

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confirmed the exchange of documents.

16) Ozawa: Japan will join ISAF under a DPJ administration (Tokyo)

TOKYO SHIMBUN (Page 2) (Full)
October 5, 2007

The Democratic Party of Japan's (Minshuto or DPJ) newsletter dated Oct. 5 carries President Ichiro Ozawa's statement on the Maritime Self-Defense Force's refueling mission in the Indian Ocean. It goes: "The International Security Assistance Force (ISAF) in Afghanistan does not conflict with the Constitution. Once we come into a position to determine foreign and security policies, I want to realize (ISAF) participation." He thus indicated that once the DPJ takes the reins of government, Japan would join the ISAF.

Pointing out that the ISAF is based on a UN Security Council resolution, Ozawa says that taking part in a UN peacekeeping operation, even if it involves the use of force, is consistent with the spirit of the Constitution. Cautious views also exist in the DPJ about joining the ISAF, thinking it is too dangerous although doing so is constitutionally possible. Ozawa is believed to have contributed his essay to the newsletter in an attempt to unify views in the party.

17) DPJ's Upper House caucus taking the offensive in interpellations (Asahi)

ASAHI (Page 4) (Excerpts)
October 5, 2007

Interpellations started yesterday at the plenary session of the House of Councillors, where the opposition camp holds a majority. Azuma Koshiishi, chairman of the Democratic Party of Japan's (DPJ) caucus in the Upper House, in which the DPJ is the largest party, underscored that the opposition has now holds a strong card, threatening to submit a censure motion against Prime Minister Yasuo Fukuda. The DPJ Upper House caucus is looking for ways to enact its own bills by taking advantage of the initiative in the upper chamber.

Koshiishi stressed, "In case a bill approved in the Upper House is voted down at the Lower House, it is an act of violence that ignores popular will." One lawmaker from the ruling bloc then jeered at him, saying, "That's the bicameral legislature." Koshiishi then continued, saying, "We can submit a censure motion against the prime minister and we can approve it." Opposition lawmakers clapped their hands with delight.

Koshiishi also pointed out that the opposition would be able to use the right of the Diet to investigate state affairs, as well as to reject Diet appointments, including the appointment of governor of the Bank of Japan. He said: "We want to use effectively the initiative with an eye on a change in government."

The DPJ has positioned the Upper House as the main battle field to which the party will submit its own bills and enact them. The party's basic strategy is to force the ruling parties to accept all its bills. Koshiishi told reporters after the interpellations that the opposition would submit a censure motion against the prime minister if the ruling coalition scrapped bills the opposition had approved.

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However, there is no guarantee that the hard-line stance alone will pave the way for the passage of the bills. The DPJ plans to submit about 10 bills to the current session. The first hurdle is preparations for answering questions in the interpellations. The

party's Upper House members are proceeding with preparations for each bill with a barrage of questions from the ruling camp in mind.

18) Keidanren indicates it will decide which party -- LDP or DPJ -- it will back after comparing policies of two parties; LDP expresses displeasure (Tokyo Shimbun)

TOKYO SHIMBUN (Page 1) (Full)
October 5, 2007

In a meeting between the ruling Liberal Democratic Party (LDP) and the Japan Business Federation (JBF or Keidanren), which was held for the first time since the inauguration of the Fukuda government, the LDP strongly reacted to a senior Keidanren official's remarks that after comparing politics of the LDP and the Democratic Party of Japan (DPJ), Keidanren would decide which party it would support. This was learned yesterday.

The meeting was held on Oct. 3. According to several sources, LDP General Council Chairman Toshihiro Nikai said in the session: "Why do you say this when you know we are in trouble since the House of Councillors is controlled by the opposition camp?"

LDP Secretary General Bunmei Ibuki also stated: "Even if commentators praise our policy, our policy will be laughed at if we cannot explain where the funds come from. The LDP cannot craft policies without funds just like that."

Nikai told reporters yesterday: "Keidanren should consider if it is a good idea for it to compare the policies of the LDP and the DPJ, since the policies of Keidanren and the LDP are almost the same."

19) DPJ's Watanabe quits advisor post over political-fund scandal (Tokyo Shimbun)

TOKYO SHIMBUN (Page 2) (Excerpts)
October 5, 2007

Kozo Watanabe of the main opposition Democratic Party of Japan (DPJ or Minshuto) yesterday stepped down as supreme advisor of the DPJ to take responsibility for a political money scandal involving one of his political organizations. This money scandal may become a hindrance to the DPJ, which is about to press the government of Prime Minister Yasuo Fukuda hard regarding the politics-and-money issue.

Watanabe's political organization listed his former secretary's condominium as its office even though it was not used for such purposes, and reported a huge amount of money in ordinary expenditures. This political-fund scandal is similar to that involving former Agriculture Minister Norihiko Akagi, who was sacked by former Prime Minister Shinzo Abe.

Watanabe explained yesterday he had decide to step down so as not to prevent his party from losing its pursuit of the government. He stated: "With my resignation, young lawmakers of my party will be able to debate at the Diet."

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